

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-10 IO-13 ISO-00

L-03 FRB-03 OMB-01 ITC-01 SP-02 ICA-11 AGRE-00

AID-05 CIAE-00 COME-00 INR-10 LAB-04 NSAE-00

OIC-02 SIL-01 STR-07 TRSE-00 CEA-01 SS-15 NEA-11

ABF-01 INT-05 NSC-05 /152 W

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FM USMISSION GENEVA

TO SECSTATE WASHDC 0211

INFO AMEMBASSY BELGRADE

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AMEMBASSY STOCKHOLM

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AMEMBASSY WARSAW

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USEEC USOECD

E.O. 11652: N/A

TAGS: UNCTAD, ETRD

SUBJECT: UNCTAD COPPER: SECOND SESSION OF WORKING GROUP,
MAY 22-26

REF: GENEVA 6180

1. SUMMARY. THE SECOND SESSION OF THE UNCTAD WORKING GROUP TO DRAFT TERMS OF REFERENCE AND RULES OF PROCEDURE FOR A STANDING INTERGOVERNMENTAL COPPER BODY WAS HELD IN GENEVA, MAY 22-26 (REFTEL). DESPITE SLOW START AND PLODDING PACE, SESSION AT WEEK'S END AGREED TO USE A SINGLE WORKING TEXT AS THE BASIS FOR ANOTHER WORKING GROUP MEETING IN JUNE. SINGLE TEXT WAS PRODUCED MID-WEEK BY U.S. DELEGATION ON ITS OWN RESPONSIBILITY, LARGELY RETAINING BASIC PROVISIONS OF ORIGINAL U.S. PROPOSAL RELATING TO AUTONOMY, STRUCTURE, AND PROCEDURES OF THE BODY, INCORPORATING NEW PREAMBULAR LANGUAGE SUBMITTED BY PRODUCERS AND DRAWING WHEREVER POSSIBLE ON SECTIONS OF A DRAFT CHARTER TABLED BY THE EC. WHILE TEXT IS LIBERALLY SPRINKLED WITH BRACKETED ALTERNATIVE LANGUAGE AND PROVISIONS, IT PERMITTED EC TO BACK OFF FROM OWN PROPOSED CHARTER SUBMITTED EARLY IN MEETING, WHICH APPEARED TO BE MAINLY AN ATTEMPT TO IMPLEMENT LIMITED OFFICIAL USE

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UK AND FRENCH IDEAS FOR OBFUSCATING POINT AT WHICH FORUM WOULD BE OPERATIONALLY OUTSIDE UNCTAD. LOW-KEY, GOOD NATURED NEGOTIATIONS IN CONTACT GROUP ONLY SLIGHTLY MARRED BY REPETITION BY PERU, SUPPORTED ONLY BY LATIN CONSUMERS, BRAZIL, ARGENTINA AND VENEZUELA, OF FAMILIAR POSITION THAT COPPER BODY COULD NOT BE ESTABLISHED OUTSIDE UNCTAD AND STILL FULFILL RESOLUTION 93(IV). END SUMMARY.

2. SECOND WEEK OF WORKING GROUP MEETINGS BEGAN WITH DISCUSSIONS FOCUSSED ON REVISED VERSION OF U.S. DRAFT CHARTER AND NEW PREAMBLE AND ARTICLE I (NATURE, TASKS AND FUNCTIONS) SUBMITTED BY PRODUCERS. PRODUCERS WORKED OUT TEXTS IN TWO-DAY SESSION IN PARIS DURING PREVIOUS WEEK BUT WERE UNABLE TO AGREE ON FULL SET OF ARTICLES PREPARED BY CIPEC SECRETARIAT.

3. EC PAPER. EC SUBMITTED ITS OWN, NEW PROPOSAL FOR A COPPER BODY, DRAFTED LARGELY BY UK AND INTRODUCED MID-WEEK AFTER INTENSIVE CONSULTATIONS WITHIN EC. MAIN FEATURES THAT CRITICALLY DIFFERENTIATED IT FROM US PROPOSAL INCLUDED (A) MINIMUM OF ORGANIZATIONAL STRUCTURE, WITH BODY LOOKING AND ACTING LARGELY LIKE AN UNCTAD COMMITTEE ALTHOUGH

NOMINALLY AND POTENTIALLY EFFECTIVELY AUTONOMOUS; (B) MAXIMUM INITIAL DEPENDENCE ON UNCTAD FINANCIAL AND STAFF SUPPORT WITH NO CLEAR CUT PROCESS FOR EVENTUAL SEPARATION FROM UNCTAD. THIS REFLECTED NUMBER OF MOTIVES: ATTEMPT TO ASSERT STRONGER EC ROLE IN PROCEEDINGS; ATTEMPT BY UK AND FRANCE TO PLAY UP TO PRODUCER RADICALS (PERU AND NORWAY) DESIRE FOR BODY DEPENDENT ON UNCTAD; DESIRE TO PROVIDE FOR A MEMBERSHIP, AS DISTINCT FROM OBSERVER, ROLE FOR THE EC AS SUCH, ALTHOUGH WITH NO VOTING POWER; AND ATTEMPT BY THE FRG TO AT LEAST COMMIT FRANCE TO THE PRINCIPLE OF AN AUTONOMOUS BODY.

4. DESPITE ATTEMPTS BY U.S. DEL, AND EVEN STRONGER ATTEMPTS BY WORKING GROUP CHAIRMAN (CUTTAT, SWITZERLAND) TO LIMITED OFFICIAL USE

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NEA-11 L-03 FRB-03 OMB-01 ITC-01 SP-02 ICA-11
AGRE-00 AID-05 CIAE-00 COME-00 INR-10 LAB-04
NSAE-00 OIC-02 SIL-01 STR-07 TRSE-00 CEA-01 SS-15
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R 302000Z MAY 78
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PERSUADE THE EC TO WITHHOLD DRAFT IN ORDER NOT TO MUDDY THE WATERS WITH ADDITIONAL PROPOSAL, EC PERSISTED IN TABLING IT. HOWEVER, PRELIMINARY COMMENTS AND CORRIDOR DISCUSSIONS REVEALED CLEAR PREFERENCE BY MAIN PRODUCERS AND JAPAN FOR ORGANIZATIONAL APPROACH OF U.S. PAPER. ACCORDINGLY THE WORKING GROUP AGREED THAT THE LATTER, PLUS NEW PREAMBULAR CLAUSES SUBMITTED BY PRODUCERS, WOULD BE THE BASIS OF ARTICLE BY ARTICLE NEGOTIATIONS.

5. PRODUCER VIEWS. PRODUCERS MANAGED TO MAINTAIN UNIFIED POSITION ON VARIOUS (BUT NOT ALL) ELEMENTS OF U.S. DRAFT CHARTER ALTHOUGH CANADA AND, TO SOME DEGREE, AUSTRALIA, HAD TO PUT UP STRONG FIGHT ON A NUMBER OF ISSUES WITHIN PRODUCER CAUCUS. BASIC AGREEMENT ON MANY ASPECTS OF U.S. PAPER EMERGED, PARTICULARLY ON DECISION-MAKING BY CONSENSUS AND STRUCTURE OF NEW ORGANIZATION, THOUGH PRODUCERS SEEM TO ENVISION ROLE OF THE EXECUTIVE COMMITTEE (IN ADDITION TO THAT OF THE HIGHEST ORGAN, THE COUNCIL), INCLUDING AUTHORITY TO MAKE RECOMMENDATIONS DIRECTLY TO MEMBER GOVERNMENTS. OTHER SIGNIFICANT AREAS OF DIVERGENCE FROM U.S. PROPOSAL INVOLVE BUDGET PROVISIONS (EQUAL FINANCIAL ASSESSMENTS ON ALL MEMBERS RATHER THAN U.S. IDEA OF 50 PERCENT OF THE

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BUDGET TO COME FROM PRO-RATA CONTRIBUTIONS) DIVIDING MEMBERSHIP INTO PRODUCER AND CONSUMER GROUPS, AND VOTING (TWO THIRDS MAJORITY WITHIN EACH GROUP ON ONE COUNTRY, ONE VOTE BASIS TO CARRY MATTERS OF "ADMINISTRATIVE AND FINANCIAL NATURE" RATHER THAN U.S. IDEA OF VOTING ONLY ON BUDGETARY MATTERS).

6. UNCTAD SECRETARIAT. IN RESPONSE TO QUESTION RAISED AT THE APRIL SESSION, THE UNCTAD SECRETARIAT MADE A FORMAL STATEMENT WHICH PRECLUDED "THE PROVISION BY THE UN OF FINANCE, STAFF AND FACILITIES" TO AN AUTONOMOUS COPPER BODY, EVEN IN THE EARLY DAYS OF ITS EXISTENCE. FOR SUCH SUPPORT THE BODY WOULD HAVE TO EXIST INSTITUTIONALLY WITHIN UNCTAD. THIS STATEMENT UNDERCUT THE VIEW OF SOME PRODUCERS, AND TO SOME EXTENT THE UK, THAT "IN THE INITIAL PERIOD" (DURATION UNSPECIFIED) STAFF AND FUNDING WOULD BE PROVIDED BY UNCTAD. THE SECRETARIAT ALSO ISSUED A NOTE ON THE LEGAL PROCEDURE FOR ESTABLISHMENT OF THE COPPER BODY. UNLIKE PREVIOUS STATEMENTS, HOWEVER, WHICH WERE ORAL AND USUALLY TENDED TO RAISE MORE QUESTIONS THAN WERE ANSWERED, SECRETARIAT PAPER CLEARLY ADDRESSED QUESTION OF BOTH HOW TO ESTABLISH BODY WITHIN UNCTAD AND HOW TO ESTABLISH IT OUTSIDE UNCTAD. LATTER PROCEDURE DREW HEAVILY ON PRECEDENTS SET WHEN INTERNATIONAL LEAD-ZINC STUDY GROUP WAS CREATED AS AUTONOMOUS COMMODITY BODY AND WERE LARGELY CONSISTENT WITH U.S. VIEWS.

7. CONCLUSION. POSITION AT WEEK'S END WAS THAT WORKING GROUP WILL NOW BE ABLE AT ITS NEXT MEETING (JUNE 19-23 TO PLUNGE IMMEDIATELY INTO A FURTHER ARTICLE BY ARTICLE READING OF THE DRAFT CHARTER ON BASIS OF SINGLE TEXT WITH BRACKETS. WITH EC HAVING QUIETLY DROPPED ITS "SIMPLIFIED STRUCTURE" APPROACH TO THE COPPER BODY AND JAPAN INDICATING CLOSE SUPPORT FOR U.S. ON MOST BASIC POINTS, THERE EXISTS POSSIBILITY THAT CONSUMERS WILL SPEAK INCREASINGLY WITH ONE VOICE ON MOST ISSUES AT NEXT MEETING. PRINCIPAL ISSUES FOR NEXT MEETING ARE LIKELY TO INCLUDE (A) A PRODUCER PREFERENCE

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ENCE FOR INSTITUTIONALIZING THE UNDERLYING PRODUCER-CONSUMER BLOCK IN THE BODY AS MUCH AS POSSIBLE; (B) THE BASIS FOR

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ASSESSMENT OF DUES; (C) THE ISSUE OF THE TIMING OF A FUTURE REAPPRAISAL OF THE STATUS OF THE BODY, PARTICULARLY IN CONNECTION WITH THE FUTURE FATE OF THE INTEGRATED PROGRAM FOR COMMODITIES; AND (D) THE BASIS FOR VOTING ON BUDGETARY AND "ADMINISTRATIVE" MATTERS. THE ISSUE OF THE BODY'S AUTONOMY AND ITS LINKS TO UNCTAD WILL BE RAISED BY PERU AND ITS LATIN ALLIES BUT MAY WELL CONTINUE TO BE GREETED WITH SILENCE BY THE REST OF THE WORKING GROUP. VANDEN HEUVEL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Copy: SINGLE
Draft Date: 30 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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Executive Order: N/A
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Film Number: D780226-0461
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Original Handling Restrictions: n/a
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Reference: 78 GENEVA 6180
Retention: 0
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Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
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SAS ID: 2780571
Secure: OPEN
Status: NATIVE
Subject: UNCTAD COPPER: SECOND SESSION OF WORKING GROUP, MAY 22-26
TAGS: ETRD, UNCTAD
To: STATE USUN NEW YORK MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/8dcccba3-c288-dd11-92da-001cc4696bcc
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